

# Biden turns to countries he once sought to avoid to find help shutting off Russia's oil money

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**Washington (CNN)**President Joe Biden's urgent global search for help [shutting off Russia's oil revenues is leading](#), in some instances, to regimes he once sought to isolate or avoid.

Biden administration officials traveled to Venezuela over the weekend for talks on potentially allowing the country to sell its oil on the international market, helping to replace Russian fuel. Biden may travel to Saudi Arabia as the US works to convince the kingdom to increase its production. And a looming nuclear deal could bring significant volumes of Iranian oil back to the market.

Caracas, Riyadh and Tehran would have been unlikely sources of relief for a Biden-led Western alliance before the start of the war in Ukraine. But Russia's invasion has upended international relations, forcing the US and other nations to seek out solutions in places they'd previously shunned.



Zelensky's heroism is coming up against Western red lines

In deciding the next steps, Biden administration officials [are weighing a host of factors](#). Russia's invasion of its neighbor, which has left scores of civilians dead, has generated immense pressure on Western nations to cut their energy ties to Moscow, including from both Democrats and Republicans in Congress. In a videoconference call with American lawmakers Saturday, Ukrainian President Volodymyr Zelensky pleaded for a ban on Russian energy.

US imports from Russia make up a small slice of the energy universe -- roughly 8% in 2021, of which only about 3% was crude oil. White House economic officials have been engaged for more than a week in how to manage any decision to cut off those imports, officials say. [The Department of Energy reported](#) that in the last two weeks of February,

Russian oil imports dropped to zero as US companies cut ties with Russia, effectively implementing their own ban.

[Those efforts have grown more intense in recent days](#) and Biden announced a ban on Russian energy imports on Tuesday morning.

"Today I am announcing the United States is targeting the main artery of Russia's economy. We're banning all imports of Russian oil and gas and energy," Biden said in remarks from the White House. "That means Russian oil will no longer be acceptable at US ports and the American people will deal another powerful blow to Putin's war machine."

In both public and private conversations, top American allies have said the US would likely be acting on its own should it target Russian energy imports. That has raised its own concerns, [as US officials remain wary of pursuing any action](#) that would fragment the carefully coordinated alliance that has served as the focal point of the response up to this point.

Russia has typically exported roughly 5 million barrels of crude per day, half of which goes to Europe. Venezuela, which has the world's largest proven oil reserves, could help make up the gap, but the country has suffered persistent output issues. Before sanctions were applied on Iran, it produced about 4 million barrels per day. Saudi Arabia has spare capacity to ramp up production, though it has so far been unwilling.

For Biden, the effort to identify oil supplies -- even in autocratic regimes -- demonstrates the lengths he is willing to go to inflict serious pain on Moscow. He has long [framed his presidency around defending democracy](#) from creeping authoritarianism and accused his predecessor of [cozying up to the world's strongmen](#). But reducing the world's dependence on one autocrat's energy supplies could mean turning to another's instead.

It's far from clear that the administration's efforts will yield results. Venezuela's socialist leader, Nicolás Maduro, is Russian President Vladimir Putin's top ally in Latin America. So far, Saudi Arabia has refused to increase production, though officials remain hopeful of a breakthrough. And a revived Iran nuclear deal remains elusive -- in part because of new demands by Russia, a partner in the international negotiations.

Still, Biden administration officials remain intent on identifying potential supplies of energy that could replace Russia's exports. While US officials have assessed it would not be in Russia's interest to weaponize its energy exports, the risk that it may come to pass and the need to protect European allies -- particularly when it comes to natural gas -- has factored into the efforts, officials said.

## Gasoline prices skyrocketing over supply fears

Intensifying discussion of bans on Russian energy has already caused the price of oil to surge.

[It soared to its highest level since 2008 on Monday](#). Brent crude, the global benchmark, briefly spiked as high as \$139 a barrel -- a leap of more than 35% in just one month. The

ramifications of significant price spikes have been a significant concern inside the White House, with Biden bringing up the need to mitigate the issue in private meetings.



US gas prices are just pennies away from an all-time high

Ron Klain, Biden's chief of staff, has also been a regular voice in meetings underscoring the need to limit the domestic pain to the extent possible as the administration seeks to maintain domestic support for its wide-ranging efforts, according to two people familiar with the matter. It's a reality Biden has publicly and repeatedly emphasized when he outlines the stakes and necessity of the US role in responding to Russia's aggression.

The President and some of his most senior advisers in the West Wing view high fuel prices as one of the most tangible economic pains for average Americans, according to multiple sources, and there is concern that the situation may get worse just as travel picks up heading into the summer.

[With midterm elections around the corner](#), the White House is keenly aware of the political problems that sticker shock at the gas pump can pose for their party and has been strategizing for weeks on ways to try to contain the rise in gas prices while turning voters' attention to bright spots in the economy.

Some Biden officials also view attempts by Republican lawmakers to pressure the administration into banning Russian oil as cynical, given they are likely to pin higher gas prices on the White House should they inch up even more.

## Intentionally quiet diplomacy with oil-supplying nations

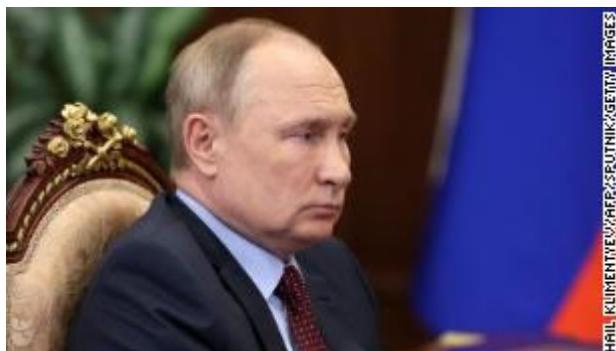
Top US officials have [engaged in a wide-ranging but intentionally quiet](#) effort to rally major suppliers and states to meet any demand issues that came from a Russian invasion or the bite of the sanctions that followed, according to multiple senior administration officials.

Amos Hochstein, senior adviser for energy security at the State Department, has led the effort and has worked closely with Brett McGurk, the National Security Council's Middle East and North Africa coordinator. The efforts have included meetings with major energy producers in northern Africa, including Algeria, as well as the Middle East and Asia, and

with key players in domestic production. Countries including Japan and Qatar have signaled they are willing to contribute to a broad-based effort to fill gaps in supply.

Hochstein and McGurk met with Saudi officials last month "to discuss a collaborative approach to managing potential market pressures stemming from a possible Russian invasion of Ukraine."

Biden had once sought to "recalibrate" the US relationship with Saudi Arabia, [effectively refusing to speak to the Kingdom's de facto ruler, Crown Prince Mohammed bin Salman](#), who the US accused of authorizing journalist Jamal Khashoggi's murder. Biden's direct conversations have been limited to King Salman, the crown prince's father, and included a call last month that reiterated a commitment from both countries to "ensuring the stability of global energy supplies."



#### Putin's autocratic vision is for a 'Russian World'

The frosty reception Saudis have received from the US since Biden came into office has deeply irritated the Persian Gulf country, [leading to a lack of willingness](#) on its part to be helpful by pumping more oil into the market, US officials have said. While some US officials believe that the Biden administration should make an even more concerted effort to engage Saudi Arabia, Biden -- who called the crown prince a killer last year -- has been resistant, the officials said.

Some US officials are deeply wary of the prospects of Biden engaging the crown prince on energy production.

"Who's he going to call -- (someone) who he hasn't spoken to because he's a loathsome toad, because he dismembered a journalist?" said one senior Democratic official who asked to remain anonymous in order to speak freely. "I'm not expecting that to happen. I'm not recommending it."

But the war in Ukraine has caused its own global recalibration, and now Biden officials are weighing a possible presidential trip to Saudi Arabia in the coming months, three people familiar with the talks confirmed. Axios was first to report on the discussions around the trip.

"There's no current plans for the President to travel to Saudi Arabia," White House press secretary Jen Psaki said Monday.

Still, she acknowledged that discussions with the Saudis had ramped up, both on oil and on regional security issues.

"It's in everyone's interest to reduce the impact on the global oil marketplace, and that was part of that discussion," she said.

So far, Saudi officials have remained steadfast in their commitment to the OPEC+ production schedule agreed to with Russia. But one official familiar with the conversations said the Saudis expressed an openness to addressing major market disruptions. What that would entail -- or what kind of disruption would lead to a shift in posture -- remains unclear.

"There are actions that energy producers can take in terms of their spare capacity and there are actions that energy producers can undertake to increase their production of energy in the current circumstance," a senior administration official said in describing the overall US effort in recent months.

While the official declined to give a specific timeline, "the collective power of those actions and all the other tools and authorities that are at our disposal, plus diplomatic maneuvers ... that are at our disposal, collectively, we think, will be effective in bringing down the price of gas and the price of oil."

## Maintaining a tight-knit alliance

While minimizing price spikes has been central to the overall approach, [so has the effort to maintain an alliance](#) with countries that have far more acute concerns about the effects of energy sanctions on their respective economies.

In a call with European leaders on Monday, Biden discussed potential ways to limit Russian oil purchases. One of the leaders on the call, German Chancellor Olaf Scholz, said Europe cannot secure its energy supplies without imports from Russia. In a news release, Scholz said energy had been deliberately left out of previous rounds of sanctions, adding that Russian energy is of "essential importance" to the daily lives of its citizens.

Meanwhile, Hungary's finance minister, Varga Mihaly, said in a Facebook video posted Monday that his government would not support any sanctions on Russian energy.

Europe relies on Russia for 40% of its natural gas supply and a quarter of the crude oil it imports. Efforts to secure options to backfill natural gas supply have been seen as particularly crucial, officials said.

## Engaging with the Venezuelans

The administration has made plain it won't leave options untapped, including in places where the US may have other concerns.

When senior Biden administration officials -- including the National Security Council's director for the Western Hemisphere, Juan Gonzalez, and the US special presidential envoy for hostage affairs, Roger Carstens -- were dispatched to Caracas over the weekend for talks on the issue, they were the highest-ranking Americans to have visited the country in years.

Aside from sanctions relief and oil, they also discussed American citizens currently detained in Venezuela who the US wants to see freed. They include two Green Berets accused of plotting to remove Maduro and a group of energy executives arrested in 2017.

Washington imposed sanctions on Venezuelan oil in 2019 and closed its embassy in Caracas after deeming Maduro's election victory in 2018 to be a sham. A US official said Venezuela would need to take several steps before sanctions were lifted, though didn't specify the conditions.

Engaging Venezuela now could also isolate Russia from its top ally in South America, officials said.



Here's what NATO's Article 5 is and how it applies to Russia's invasion of Ukraine

One day before the trip, the US made a strange move: The Treasury Department [quietly announced a general license](#) -- allowing transactions that would otherwise be prohibited -- for a Russian oligarch who is a big investor in Venezuela's energy market and has close relations with the Maduro regime, according to the announcement posted on the Office of Foreign Assets Control website. The oligarch -- Alisher Burhanovich Usmanov -- is also an ally of Putin.

Not sanctioning all of Usmanov's entities created the appearance, to some, of trying to grease the wheels before the trip to Caracas. But the Treasury Department said that all of his personal assets had been blocked and there would likely be more sanctions to come.

"We are going to work with our allies and partners to design a set of mitigations that allow us to target companies under Usmanov's control without driving up the price of commodities like nickel, which could inadvertently enrich him," said a Treasury Department spokesperson.

Already, however, the political costs of engaging Venezuela have been plain.

Republican Sen. Marco Rubio of Florida -- a state that's home to a large population of Venezuelan Americans who oppose the Maduro regime -- has already criticized the discussions. He said over the weekend that "rather than produce more American oil," Biden "wants to replace the oil we buy from one murderous dictator with oil from another murderous dictator."

And Republican Sen. Rick Scott of Florida, who is the head of the Senate GOP campaign committee, said: "We should stop importing Russian oil, period. And we shouldn't be going to Venezuela. ... When are we going to learn that we can't be relying on these thugs?"

Rank-and-file Republicans had equally harsh words for Biden: Rep. Chris Stewart of Utah, a member of the House Intelligence Committee, called it "kind of nuts" and warned it would "empower Venezuela" and "enrich Iran." And Rep. Mario Diaz-Balart of Florida said he was "speechless" and hoped the reports weren't true.

"I don't think anybody could be this much of an imbecile. And I say that painfully because it's too reckless, too stupid, too idiotic, too dangerous for it to be true," Diaz-Balart said. "This will do nothing, by the way. Venezuelan oil? They're barely producing right now."

It's not only Republicans who are criticizing the idea. Sen. Robert Menendez, the New Jersey Democrat who's the powerful chairman of the Senate Foreign Relations Committee, said he would "strongly oppose" any action that enriched Maduro.

"In the last month, the international community has come together in an unprecedented way to reject military aggression by Russia and stand up for democracy. But the Biden administration's efforts to unify the entire world against a murderous tyrant in Moscow should not be undercut by propping up a dictator under investigation for crimes against humanity in Caracas," Menendez said.

*CNN's Manu Raju, Melanie Zanona and Morgan Rimmer contributed to this report.*